

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF USA MOBILE)	
COMMUNICATIONS, INC. II FOR: (1) AN)	
ORDER PURSUANT TO KRS 278.020(4) AND (5))	CASE NO. 91-450
APPROVING A CHANGE IN OWNERSHIP OR)	
CONTROL; AND (2) AN ORDER PURSUANT TO)	
KRS 278.300 AUTHORIZING THE ISSUANCE OF)	
SECURITIES OR INDEBTEDNESS)	

O R D E R

On December 2, 1991, USA Mobile Communications, Inc. II ("USA II") filed a verified application pursuant to KRS 278.300 and KRS 278.020(4) and (5) requesting approval to restructure its existing and previously approved indebtedness and to change ownership and control of USA II. USA II also filed a motion to deviate from certain requirements of 807 KAR 5:001, Section 11, including those set forth in subsections (1)(a), (2)(a), (2)(b), (2)(c), and Section 6.

USA II was formed to acquire and operate radio common carriers which provide conventional one-way radio paging and two-way mobile telephone services. The services which USA II is providing in the Commonwealth consist primarily of one-way radio paging services, but also include some two-way mobile communications.

The manner in which USA II proposes to restructure its existing and previously approved indebtedness is described fully in Exhibit A of its application. The restructuring of USA II's

existing indebtedness primarily involves: (a) either converting into Senior Secured Notes or forgiving USA II's entire Senior Secured and Subordinated loans; and (b) USA II issuing options to its lenders to acquire stock in USA II exercisable at a time that is the later of six months after the issuance of the options, or when the Federal Communications Commission and any appropriate state regulatory commission approvals are received. It is estimated that the proposed restructuring of USA II's existing indebtedness will result in a reduction of such indebtedness by over \$59 million.

USA II's proposed restructuring of its existing and previously approved indebtedness is for a lawful object within the corporate purposes of USA II, necessary and appropriate, as well as consistent with the provision by USA II of radio common carrier services to the public, not an impediment to the ability of USA II to provide service to the public, and reasonably necessary and appropriate to accomplish these objectives.

USA II has generally complied with all of the requirements of KRS 278.300 and 807 KAR 5:001, Section 11, concerning the issuance of securities and other forms of indebtedness, but requested a deviation from filing the original cost of personal and real property acquired or to be acquired by USA II, the trust deeds or mortgages, engineering layouts and plans of the proposed property to be acquired, and a financial exhibit. A deviation should be granted because the application contains sufficient information for Commission review.

Having considered the application of USA II and having been otherwise sufficiently advised, the Commission HEREBY ORDERS that:

1. USA II's motion to deviate from certain requirements of 807 KAR 5:001, Sections 11 and 6, shall be and hereby is granted.

2. Pursuant to KRS 278.300, USA II is authorized to restructure its existing and previously approved indebtedness in the manner described in Exhibit A of its application, with such minor modifications to Exhibit A as agreed to by USA II.

3. Within 30 days of the date of the transactions pursuant to which USA II will restructure its existing indebtedness, it shall file with the Commission a copy of the loan document.

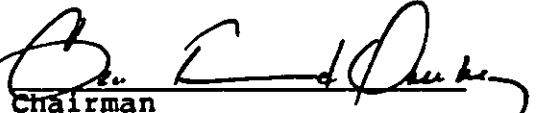
4. Should the transactions described in Exhibit A produce a change in ownership or control of USA II, USA II shall file an application pursuant to KRS 278.020(4) and (5).

5. Should the restructuring described herein not occur, USA II shall so notify the Commission.

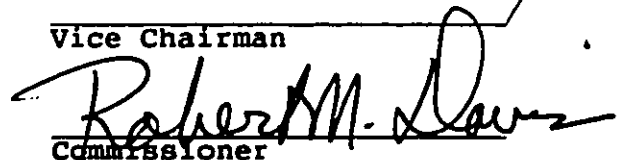
Nothing herein shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agencies thereof as to the securities authorized herein.

Done at Frankfort, Kentucky, this 31st day of December, 1991

PUBLIC SERVICE COMMISSION


Chairman

Vice Chairman


Commissioner

ATTEST:


Executive Director